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No. 74

In the Supreme Court of the United States

OCTOBER TERM, 1929

ARTHUR E. COLGATE, ADMINISTRATOR OF THE ESTATE OF CLINTON G. COLGATE, DECEASED, PETITIONER

v.

THE UNITED STATES

ON PETITION FOR A WRIT OF CERTIORARI TO THE COURT OF CLAIMS

BRIEF FOR THE UNITED STATES IN OPPOSITION

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v.

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OPINION BELOW

The opinion of the Court of Claims (R. 10–17) is not yet reported.

JURISDICTION

The judgment of the Court of Claims was entered on February 4, 1929. (R. 17.) The petition for writ of certoriari was filed May 1, 1929. (R. 19.) The Government contends that the only jurisdiction in this Court to review this judgment is under Section 3(b) of the Act of February 13, 1925.

The Court of Claims determined this case under a special jurisdictional act approved March 3, 1927 (c. 408, 44 Stat. Part 3, p. 1807), which reads as follows:

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the findings of fact made by the Court of Claims in the case of Arthur E. Colgate, administrator of the estate of Clinton G. Colgate, deceased, against the United States, Congressional, Numbered 6063, Senate Document Numbered 703, Sixty-Fourth Congress, second session, be, and they are hereby referred back to the Court of Claims with jurisdiction to render such judgment as the findings of fact heretofore found and the law require: *Provided,* That either party hereto may appeal to the Supreme Court of the United States upon or from any conclusion of law or judgment, from which appeals now lie in other cases, at any time within ninety days after the rendition of judgment: *Provided further,* That the amount of any such judgment shall not exceed the sum of $50,000: *And provided further,* That such notice hereof shall be given to the Attorney General of the United States as may be provided by orders of said court, and it shall be the duty of the Attorney General to cause one of his assistants to appear and defend for the United States.

The petitioner herein filed an application for an appeal on April 23, 1929, which was allowed by the

Court of Claims on April 26, 1929. (R. 18.) The appeal, together with the petition for a writ of certiorari, is docketed in this Court as one cause. The petitioner herein has filed in this Court a statement in support of jurisdiction on appeal. The United States, within the time prescribed by the rules, has filed a jurisdictional statement contending that this Court is without jurisdiction to entertain the appeal.

STATEMENT

This case was heard by the Court of Claims as Congressional Case No. 6063, in which Findings of Fact were made by such Court on December 4, 1916. (R. 4.) By the Act of March 3, 1927, it was provided that the Findings of Fact made by the Court of Claims in said Congressional case "be, and they are hereby, referred back to the Court of Claims with jurisdiction to render judgment as the Findings of Fact heretofore found and the law require." The Court of Claims therefore sets forth the Findings of Fact made on December 4, 1916, as the Findings of Fact in the present case. (R. 4.)

These Findings show that one Simpson, on January 31, 1848, filed an application in the Patent Office for a patent for "conducting electricity through water." (R. 4.) No patent was ever issued upon this application. (R. 5.) On April 2, 1849, Simpson filed another application for patent, describing the process substantially as described in his application of 1848 (R. 5), which ap-

plication was rejected on the ground that the invention was not found new (R. 6).

On January 15, 1851, Simpson wrote the Commissioner of Patents relating to his application as follows (R. 6):

> I hereby withdraw my application for a patent for a mode of insulating telegraph wires, now in your office, and request that $20 may be refunded to me in gold, agreeable to an act of Congress in such case made and provided.

On December 24, 1858, Simpson filed another application for patent for a process of insulation of wires, which was also rejected upon the ground that the process was well known and also upon the ground that the invention was abandoned to the public. (R. 6.) Simpson appealed from this rejection to the Board of Committee of Appeals, where the rejection was affirmed. (R. 6.) On October 8, 1859, Simpson filed another application for patent for submarine telegraph cable, the same in subject matter as the preceding, which application was also rejected. Simpson appealed to the Board, who again reached their former conclusion. In May, 1860, the Commissioner of Patents confirmed the Board's decision. Simpson then appealed to the United States Circuit Court for the District of Columbia, where the action of the Commissioner of Patents was confirmed. (R. 7.)

On May 4, 1886, Simpson filed another application for patent similar to his previous applications,

and upon this patent No. 65019 was issued on May 21, 1867. (R. 7.) Simpson assigned his patent to one Eastman in 1871 and, on September 3, 1877, the patent passed, under Eastman's will to his wife, who, on November 15, 1877, individually and as executrix, transferred the patent to Clinton G. Colgate. (R. 8.) The transfer to Colgate was a voluntary assignment and not by operation of law. (R. 9.) The validity of this patent was sustained in the following cases: *Colgate* v. *Western Union Telegraph Co.,* 15 Blatch. 365; and *Colgate* v. *Gold and Stock Telegraph Co.,* 16 Blatch 503. (R. 7.)

The opinion in the *Western Union Telegraph case* gives what was then considered by the Court a complete history of the invention in question, and "is referred to for further information upon that subject." (R. 7.) After that decision the Telegraph Company paid Colgate $100,000 for past infringements and agreed upon license fees for future use. Some agreements were made with other parties. (R. 9.)

The United States Government, by its Signal Service and Weather Bureau, used submarine cables consisting of metallic wires employed as conductors of electricity encased in gutta-percha as an insulation between 1873 and 1883, and, at the rates fixed in other agreements, the claimant would be entitled to the sum of $50,000 for such use. (R. 9.)

The Court of Claims held that upon the facts found the petitioner could not recover, and therefore dismissed the petition. (R. 10–17.) The

Court held that under the jurisdictional act it was required to render judgment as the facts theretofore found and the law required, which meant that the validity of such patent should be determined, according to the facts as found in 1916, and an application thereto of the law as it existed at the time of the issue of the patent.

The patent statute of 1836 provided in part as follows:

> In every such case, if the applicant shall elect to withdraw his application, relinquishing his claim to the model, he shall be entitled to receive back twenty dollars, part of the duty required by this act, on filing a notice in writing of such election in the Patent Office, a copy of which, certified by the Commissioner, shall be a sufficient warrant to the Treasurer for paying back to the said applicant the said sum of twenty dollars. But if the applicant in such case shall persist in his claim for a patent, with or without any alteration of his specification, he shall be required to make oath or affirmation anew, in manner as aforesaid.

The Court of Claims points out (R. 14) that the United States Circuit Court for the Southern District of New York in the case of *Colgate* v. *Western Union Telegraph Co.*, 15 Blatch. 365, did not have before it the above-quoted letter of January 15, 1851, from Simpson, which specifically withdrew the application for a patent, but only his letter dated January 13, 1851, as follows:

> Please pay to the order of George B. Simpson, claimant for insulation of telegraph wire, Twenty Dollars balance of patent fee to be refunded on rejection of claim. (R. 13.)

which that court concluded did not constitute withdrawal or abandonment of the application. The Court of Claims held that Simpson's letter of January 15, 1851, was an abandonment of the application and that, in view of such abandonment, petitioner could not recover. It therefore dismissed his claim.

ARGUMENT

The following are the Patent Statutes in force at the time of the applications by Simpson and the issue of the patent:

The Patent Act of 1836 (c. 357, 5 Stat. 117, 119), the pertinent portion of Sec. 7 of which provides:

> That, on the filing of any such application, description, and specification, and the payment of the duty hereinafter provided, the Commissioner shall make or cause to be made, an examination of the alleged new invention or discovery; and if, on any such examination, it shall not appear to the Commissioner that the same had been invented or discovered by any other person in this country prior to the alleged invention or discovery thereof by the applicant, or that it had been patented or described in any printed publication in this or any foreign country, or had been in public use or on sale with the

applicant's consent or allowance prior to the application, if the Commissioner shall deem it to be sufficiently useful and important, it shall be his duty to issue a patent therefor. * * * In every such case, if the applicant shall elect to withdraw his application, relinquishing his claim to the model, he shall be entitled to receive back twenty dollars, part of the duty required by this act, on filing a notice in writing of such election in the Patent Office, a copy of which, certified by the Commissioner, shall be a sufficient warrant to the Treasurer for paying back to the said applicant the said sum of twenty dollars.

The pertinent portion of Sec. 6 of the Patent Act of 1839 (c. 88, 5 Stat. 353, 354), provides:

> That no person shall be debarred from receiving a patent for any invention or discovery, as provided in the act approved on the fourth day of July, one thousand eight hundred and thirty-six, to which this is additional, by reason of the same having been patented in a foreign country more than six months prior to his application: *Provided,* That the same shall not have been introduced into public and common use in the United States, prior to the application for such patent * * *.

Sec. 7 of the Patent Act of 1839 (c. 88, 5 Stat. 353, 354) provides:

> That every person or corporation who has, or shall have, purchased or constructed any newly invented machine, manufacture, or

> composition of matter, prior to the application by the inventor or discoverer for a patent, shall be held to possess the right to use, and vend to others to be used, the specific machine, manufacture, or composition of matter so made or purchased, without liability therefor to the inventor, or any other person interested in such invention; and no patent shall be held to be invalid by reason of such purchase, sale, or use prior to the application for a patent as aforesaid, except on proof of abandonment of such invention to the public; or that such purchase, sale, or prior use has been for more than two years prior to such application for a patent.

In the suit of *Colgate* v. *Western Union Telegraph Co.*, 15 Blatch. 365, in which Simpson's patent was sustained, the Circuit Court for the Southern District of New York made an examination of what was claimed and covered by the Simpson patent and held that the matters interposed by the defendant as tending to show that Simpson was not the first inventor thereof did not establish an earlier date than that of his first application in the Patent Office. The court also held that there had been no abandonment by Simpson of the invention or application for patent. The court, not having before it the letter of January 15, 1851, from Simpson to the Patent Office, in which he stated that "I hereby withdraw my application for a patent" and requested the return of his money in accordance with the statute applicable to such situations, held

that the letter from Simpson dated January 13, 1851 (R. 13), above quoted, did not amount to a withdrawal of his application. The court therefore determined that the several applications filed by Simpson should be considered as one continuing application, and the various steps taken therein as efforts to procure the allowance of the one continuing application. It therefore held that the date of the application was the date of the first application by Simpson, namely, January 31, 1848; and that the requirements of the Patent Acts of 1836 and 1839 had been fulfilled.

Upon the express evidence which is in this record of the withdrawal of the application, thus interrupting the alleged continuity thereof, the court's theory in sustaining the patent would necessarily have failed. It was not until December 24, 1858, almost eight years after the withdrawal, that another application for patent was made.

Simpson's letter of January 15, 1851, upon which the Court of Claims based the instant decision, was not brought to the attention of the Circuit Court, which decided the *Western Union Telegraph Company case,* until about six years after the original decision by Judge Blatchford, upon an application then made for a rehearing, in order that said letter might be considered. (*Colgate* v. *Western Union Telegraph Co.,* 19 Fed. 828.) The court denied such motion for rehearing, not because of any question as to the materiality or importance of such

letter, but because the letter had been available at the time of the original trial and should then have been produced and considered, and the defendant was accordingly barred by laches.

The holding by the Court of Claims is, therefore, not in conflict with the holding by Judge Blatchford in the Southern District of New York, and, even if it were, the decision by Judge Blatchford would not be controlling, but only persuasive, upon the Court of Claims. Finding VI (R. 7) of the Court of Claims shows that, unless the filing date of the original application by Simpson controls in this case, the invention had been described in printed publications in this and foreign countries, and had also been in public and common use prior to the application, and that articles covered by the invention had been the subject of purchase, sale, and prior use more than two years prior to the application.

Moreover, the withdrawal of the application in 1851 and failure to renew the application for a period of almost eight years constituted an abandonment, and when an application for a patent is abandoned no patent can thereafter be granted thereon. (*Consolidated Fruit-Jar Co.* v. *Wright*, 94 U. S. 92.)

The petitioner in its brief urges the doctrines of *stare decisis* and *res adjudicata*. It is true that there has been considerable litigation of this patent,

all in the United States Circuit Court for the Southern District of New York. The following is a list of the cases:

1. *Colgate* v. *Western Union Telegraph Co.*, 15 Blatch. 365, Fed. Case No. 2995, decided in 1878, was the judgment on a final hearing which has been heretofore discussed.

2. *Colgate* v. *Western Union Telegraph Co.*, Fed. Case No. 2494, was an order on a motion for violating the injunction granted in the case just referred to.

3. *Colgate* v. *Gold and Stock Co.*, Fed. Case No. 2991, 16 Blatch. 503, was a hearing on a motion for a preliminary injunction. An examination of this case shows that the court considered certain additional publications going to the question whether the patent was properly granted, and adhered to the theory which the court followed in the *Western Union case*, that the application was a continuing one, and determined that the publications introduced in that case which had not been presented in the *Western Union case* would not avoid the patent. The court did not discuss the question of the letter of January 15, 1851, or the abandonment.

4. *Colgate* v. *Gold and Stock Co.*, Fed. Case No. 2992, was an order on a motion for violation of the injunction granted in the preceding case.

5. *Colgate* v. *International Ocean Telegraph Co.*, Fed. Case No. 2993, was a hearing on a motion for an injunction.

6. *Colgate* v. *Compagnie Francaise, etc.,* 23 Fed. 82, was a demurrer to a bill of discovery.

7. *Colgate* v. *Western Union Telegraph Co.,* 19 Fed. 828, was the motion for rehearing to introduce the letter of January 15, 1851, which has been heretofore discussed.

8. *United States* v. *Colgate,* 21 Fed. 318, was a hearing on a motion by the Government for an injunction to restrain the commencement or prosecution of suits against private parties, made in a suit by the Government to repeal the Letters Patent. The court held that the Government has no such interest in the controversy as to entitle it to injunction. The decision does not pass upon the validity of the patent.

9. *United States* v. *Colgate,* 32 Fed. 624, was a hearing on a demurrer to the petition in the above suit filed by the Government to repeal the patent. The Court in the Southern District of New York sustained the demurrer. The Government took an appeal to the Supreme Court of the United States, which appeal was dismissed by the Solicitor General. (*United States* v. *Colgate,* 127 U. S. 792.) An examination of the record of the case (Supreme Court No. 198, October Term, 1887) shows that the petition alleged, among other things, that Simpson was not the first inventor, and that he knew that he was not, citing various alleged prior disclosures; that the action of the Circuit Court of the District

of Columbia deprived the Commissioner of Patents of jurisdiction to issue a patent, and that Simpson withdrew his application by a letter dated January 18, 1851 (which is the same letter as found by the Court of Claims to be dated January 15, 1851), and that Simpson abandoned the invention. The bill prayed for the cancellation of the patent and an injunction against Colgate prosecuting infringement suits.

The plaintiff demurred, assigning eight grounds therefor, including the grounds that the Government did not have sufficient interest to maintain the suit; that the petition showed Simpson was the first inventor and was guilty of no fraud and had not abandoned the patent, and that the petition failed to show wherein the Commissioner of Patents had no authority to issue the patent. The ruling by the Circuit Court, 32 Fed. 624, was to the effect that there was no allegation in the bill charging fraud or false suggestion upon the part of applicant, and that, at most, the allegations, if true, showed that there was no novelty in the invention and inferentially that he must have known there was no novelty. The court then said that, since the facts concerning novelty had been passed upon in the case of *Colgate* v. *Western Union Telegraph Co.*, that branch of the case did not require much consideration. The court held that the other aspect of the case, which charged that the Commissioner of Patents had no

jurisdiction to issue the patent after the decision by the Court of the District of Columbia, required more consideration. It determined, however, that such decision did not preclude a new application or the presentation of new facts to the Commissioner.

Upon the above review, it is submitted that the doctrine of *res adjudicata* has no application. The only case to which the United States was a party was the suit brought by it to cancel or repeal the patent. Such a suit is brought by the United States in a representative capacity on behalf of the public, and the grounds upon which it may be sustained are fraud, mistake, or lack of power. *United States* v. *American Bell Telephone Co.*, 128 U. S. 315; *United States* v. *American Bell Telephone Co.*, 159 U. S. 548, 555. Such grounds do not include lack of novelty in the invention, or abandonment of the application, or other grounds of invalidity ordinarily in issue in infringement suits. In the instant case the position of the United States is alleged to be that of an infringer, and the lack of identity between the issues here involved and those which were involved in the suit brought by the United States to repeal the patent is therefore manifest.

With respect to the contention of *stare decisis*, it may be pointed out that all of the decisions relied upon were in the Circuit Court for the Southern District of New York, which are not binding upon

the Court of Claims. Moreover, Simpson's letter of January 15, 1851, does not appear to have been considered except on the motion for rehearing in the *Western Union case,* which the court denied not because of lack of materiality of the letter but because the motion was made too late. The letter does appear in the record of the suit by the United States to repeal the patent, but, as above pointed out, could not properly have affected the decision of that case.

It is further submitted that, whether or not in an ordinary litigation the petitioner's contentions of *stare decisis* and *res adjudicata* would be entitled to any weight, they were properly denied by the Court of Claims in this case, brought under a special jurisdictional Act. The direction of Congress was that the findings of fact should be "referred back to the Court of Claims with jurisdiction to render judgment as the findings of fact heretofore found and the law require." The findings do not contain any mention of the suit by the United States to repeal the patent. They do contain a finding (R. 7) that the validity of the patent was sustained in the cases of *Colgate* v. *Western Union Telegraph Co.,* 15 Blatch. 365, and *Colgate* v. *Gold & Stock Telegraph Co.,* 16 Blatch. 503. We submit that it is not to be supposed that Congress intended the United States to be bound by these decisions. The "findings of fact heretofore found" showed the

use by the Government of the alleged invention and the extent thereof. (R. 9.) If the Government was to be precluded by reason of former decisions in another jurisdiction from raising any question as to the validity of the patent, there would have been nothing to refer back to the Court of Claims for determination. Adjudication of liability would have been unnecessary.

CONCLUSION

For the above reasons it is respectfully submitted that the decision of the Court of Claims is correct. It is further submitted that the case is of no public importance. It is scarcely conceivable that another like it will ever again arise. It is, therefore, not one which this Court should be called upon to review, and the petition for writ of certiorari should be denied.

Respectfully submitted.

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JULY, 1929.

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